

Scheme for providing Employment to Persons with Disabilities in the Private Sector - Incentives to the Employers

No. 2-4/2007-DDIII (Vol. II)
GOVERNMENT OF INDIA
MINISTRY OF SOCIAL JUSTICE & EMPOWERMENT
(Disabilities Division)

Shastri Bhavan, New Delhi,
Dated the 26th February, 2008

To

1. The Secretaries of all Ministries / Departments of Government of India
2. The Chief Secretaries of all States / Union Territories
3. The Secretary in charge of Disability Matters / The Secretary (Industry) of all States / Union Territories
4. The State Commissioners for Persons with Disabilities of all States / Union Territories
5. The National Institutions and all other Organisations under the Ministry of Social Justice & Empowerment
6. The District Disability Rehabilitation Centres (DDRCs) under the Ministry of Social Justice & Empowerment
7. The Secretary General, PHD Chamber of Commerce & Industry, PHD House, 4/2 Siri Industrial Area, August Kranti Marg, New Delhi.
8. The Secretary General, ASSOCHAM, 1, Community Centre, Zamrudpur, Kailash Colony, New Delhi.
9. The Director General, CII, The Mantosh Sondhi Centre, 23, Institutional Area, Lodhi Road, New Delhi.
10. The Secretary General, FICCI, Federation House, Tansen Marg, New Delhi.
11. All Non-governmental Organisations (NGOs) working in the Disability Sector

Subject: - Incentives to employers in the private sector for providing employment to the persons with disabilities - Regarding.

Sir/Madam,

I am directed to say that the most important aspect of rehabilitation of persons with disabilities is their economic rehabilitation, which can be achieved by providing employment or through self-employment. Government has been promoting the self-employment of persons with disabilities by providing vocational training and loan on concessional rates through National Handicapped Finance and Development Corporation (NHFD). Employment of persons with

disabilities in the Government is promoted through reservation. Section 33 of the Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995 provides for a reservation of 3% in the vacancies in identified posts (1% each for persons with blindness or low vision, hearing impairment and locomotor disability or cerebral palsy) in the Government establishments including the Public Sector Undertakings. To promote employment of persons with disabilities in the expanding private sector, it has been decided that incentives be provided to the private sector employers.

2. Section 41 of the Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995 provides for incentives to employers to ensure that at least five percent of their work force was composed of persons with disabilities. The National Policy for Persons with Disabilities, which was adopted in 2006 also lays down that pro-active measures will be taken to provide incentives, awards, tax exemptions etc. to encourage employment of persons with disabilities in private sector. Accordingly, Finance Minister in his Budget Speech had announced a Scheme for employment of physically challenged in the organised sector.

3. After consideration, the Government has approved the enclosed scheme of providing incentives to the employers in the private sector. Under the scheme, the employees with disabilities covered under the Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995 and the National Trust for Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999 and working in the private sector, with monthly wage up to Rs.25000/- per month would be covered. The scheme would be applicable to all the employees with disabilities, who are appointed on or after 1.4.2008.

4. It is requested that the above scheme may please be brought to the notice of all concerned including the State Chambers of Commerce & Industry, District Industry Centres, Employment Exchanges, Special Employment Exchanges, Vocational Training Centres etc. so that persons with all types of disabilities get opportunity for employment in the private sector.

5. The problems faced, if any, in implementation of the scheme may be brought to the notice of Shri Ashish Kumar, Deputy Director General, Ministry of Social Justice & Empowerment, Room No. 610, 'A' Wing, Shastri Bhawan, New Delhi - 110001 [Phone No. 23383853 (O) and e-mail: kmashish@nic.in].

6. This issues with the concurrence of Integrated Finance Division vide their ID No. 3118/DS(F) dated 25.2.2008.

Yours faithfully,
sd/-
(R. K. Maggo)
Under Secretary

Copy to:-

1. The Secretary, Ministry of Labour & Employment, Sharam Shakti Bhawan, New Delhi with the request of bringing the scheme to the notice of all concerned and to make amendments in the Employees Provident Fund and Employees State Insurance Schemes/Rules etc. so that the scheme as approved by the Government could be implemented as indicated above. In this regard letters No. R-11011/1/07-SSII dated 16th January, 2008 and No.S-38025/2/2007-SSI dated 28th January, 2008 may please be referred to.
2. The Secretary (Expenditure), Ministry of Finance, Department of Expenditure, North Block, New Delhi.
3. The Secretary, Planning Commission, Yojana Bhawan, New Delhi.
4. The Secretary, Ministry of Commerce & Industry, Department of Industrial Policy & Promotion, Udyog Bhawan, New Delhi with the request of bringing the scheme to the notice of all concerned.
5. The Joint Secretary, Prime Minister's Office, South Block, New Delhi -110011.
6. The Joint Secretary & Financial Adviser, Ministry of Social Justice & Empowerment, Shastri Bhawan, New Delhi.
7. The Planning Commission, Social Justice Division, Yojana Bhawan, New Delhi.
8. The Planning Commission, PMD Division, Yojana Bhawan, New Delhi.
9. The Central Provident Fund Commissioner, Bhavishya Nidhi Bhawan, 14, Bhikaiji Cama Place, New Delhi - 110066 for further necessary action.
10. The Director General, ESIC, Panchdeep Bhawan, CIG Road, Near Bal Bhawan, New Delhi - 110002 for further necessary action.
11. Integrated Finance Division, Shastri Bhawan, New Delhi with the request for opening a new sub-head in the Demands for Grants for making budget provision for the scheme as also for making publicity of the scheme.

Copy also to:-

1. PPS to Secretary (SJ&E)
2. PPS to AS (SJ&E)
3. PS to DDG.

sd/-
(R. K. Maggo)
Under Secretary

SCHEME FOR PROVIDING EMPLOYMENT TO PERSONS WITH DISABILITIES IN THE PRIVATE SECTOR

The scheme of giving incentives to employers, for providing employment to persons with disabilities in the private sector, as approved by the Government would be as under:-

- i. Total Outlay: Rs.1800 crore for the 11th Five Year Plan
- ii. Sector covered: Private Sector
- iii. Jobs to be created: 1 lakh per annum
- iv. Salary limit: Employees with disabilities, with monthly wage up to Rs.25000/- per month, working in the private sector would be covered.
- v. Incentives: Payment by Government of the employer's contribution to the Employees Provident Fund and Employees State Insurance for the first three years. The administrative charges of 1.1% of the wages of the employees covered under the Employees Provident Fund & Miscellaneous Provisions (EPF&MP) Act will continue to be paid by the employer.

2. Conditions:-

- A. The scheme will be applicable to the employees with disabilities:-
 - i. Covered under the Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995 and the National Trust for Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999.
 - ii. In the private sector all over India on enrolment of the employees in Employees Provident Fund (EPF) and the Employees State Insurance (ESI), under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Employees State Insurance Act, 1948 respectively. In the State of Jammu and Kashmir, the employees would be registered in EPF under the J&K Employee Provident Fund and Miscellaneous Provision Act, 1961.
 - iii. Appointed on or after 1.4.2008.
- B. The employers would submit a copy of the disability certificate, issued to the disabled employee by the Competent Authority under the Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995 and the Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Rules, 1996, first time when such benefit under EPF and ESI is claimed.

The Government will directly provide employer's contribution for the schemes covered under the Employees Provident Fund & Miscellaneous Provisions Act, 1952 and the Employees State Insurance Act, 1948. This will be done in respect of employees for a maximum period of three years. The administrative charges of 1.1% of the wages of the employees covered under the EPF Act will continue to be paid by the respective employers.

3. The Ministry of Social Justice & Empowerment would make available to the Employees Provident Fund Organisation and Employees State Insurance Corporation lump sum funds by way of advance. These would be used for the purposes of adjustment of individual claims received from the employers under the scheme. The amount with the organizations would be replenished periodically. Initially both the organisations would be provided Rs. 5 crore each and considering the requirement, the amount would be subsequently enhanced. The advance amount would be subject to quarterly review by the high level committee to be set up.

4. To monitor the implementation of the scheme, a high level Committee Co-chaired by the Ministries of Labour & Employment and Social Justice & Empowerment would be constituted. The composition of the Committee will be as follows:

- a. Secretary, Ministry of Labour and Employment - Chairman
- b. Secretary, Ministry of Social Justice and Empowerment- Co-Chairman
- c. Joint Secretary, M/Labour & Employment - Member
- d. Chief Provident Fund Commissioner of Employees Provident Fund Organization - Member
- e. Commissioner, Employees State Insurance Corporation- Member
- f. Joint Secretaries & Financial Advisors from the Ministries of Social Justice & Empowerment and Labour & Employment- Member.
- g. Joint Secretary level officer in Ministry of Social Justice & Empowerment - Member Secretary.

5. The Committee would meet periodically, as per requirement, with a minimum sitting of once in a quarter and consider various issues necessary for the smooth functioning of the scheme.